

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00
INRE-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 /052 W
-----181848Z 115937 /43

O P 171806Z MAR 76
FM AMEMBASSY LONDON
TO SECSTATE WASHDC IMMEDIATE 1732
INFO AMEMBASSY BONN PRIORITY
AMEMBASSY BRUSSELS PRIORITY
AMEMBASSY COPENHAGEN PRIORITY
AMEMBASSY DUBLIN PRIORITY
AMEMBASSY THE HAGUE PRIORITY
AMEMBASSY LUXEMBOURG PRIORITY
AMEMBASSY PARIS PRIORITY
AMEMBASSY ROME PRIORITY
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USMISSION OECD PARIS PRIORITY
AMCONSUL BELFAST
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E.O. 11652: N/A
TAGS: PGOV, PINT, UK
SUBJECT: GOVERNMENT TO FACE CONFIDENCE TEST

REF: LONDON 4482

SUMMARY. PUBLIC EXPENDITURE DEBATE DID NOT PLAY OUT THE WAY THE GOVERNMENT HAD ANTICIPATED (REFTEL). AS A RESULT, IT WILL FACE A CONSERVATIVE-SPONSORED CENSURE MOTION ON MARCH 23. THE CENTRAL QUESTION IS WHETHER THE GOVERNMENT, BY ITS USE OF SHARP PROCEDURAL PRACTICES AND LIMITED OFFICIAL USE

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EVASION, HAS CREATED AN ISSUE AROUND WHICH ALL OPPOSITION PARTIES CAN COALESCE TO DEFEAT THE GOVERNMENT. THE OUTLOOK AT THE MOMENT IS UNCERTAIN, BUT OUR PRELIMINARY SOUNDINGS INDICATE THAT WHILE THE OUTCOME WILL BE CLOSE, THE GOVERNMENT WILL PREVAIL, BUT MAY HAVE TO DO A DEAL WITH THE LIBERALS OR THE ULSTER UNIONISTS. END SUMMARY.

1. THE GOVERNMENT'S STRATEGY TO AVOID A SUBSTANTIVE VOTE ON THE PUBLIC SPENDING WHITE PAPER (REFTEL) BEGAN TO UNRAVEL YESTERDAY AFTERNOON (MARCH 17). PRIME MINISTER CALLAGHAN, AFTER CONSULTATIONS WITH CHIEF WHIP MICHAEL COCKS, DECIDED TO TRY TO AVOID A DIVISION ON THE ADJOURNMENT MOTION AND THE CONCOMITANT POLITICAL EMBARRASSMENT OF A LOSS, AS HEAD COUNTS INDICATED THE OPPOSITION WOULD PROBABLY PREVAIL. WITH LUCK, HE HOPED THE COMMONS WOULD ADJOURN WITHOUT A FORMAL VOTE. IN THE EVENT, HOWEVER, THE SCOTTISH NATIONAL PARTY (SNP) DEMANDED A FORMAL DIVISION AND PROVIDED THE TELLERS FOR THE "NO" (GOVERNMENT) LOBBY. THE OUTCOME WAS AN UNCONTESTED OPPOSITION VICTORY: 293 TO 0 FOR ADJOURNMENT.

2. MRS. THATCHER IMMEDIATELY CONDEMNED THE GOVERNMENT'S PERFORMANCE -- "NO GOVERNMENT HAS EVER SUNK SO LOW IN REFUSING TO PUT ITS POLICIES TO THE COMMONS IN A MATTER SO CENTRAL TO THE FUNCTION AND PURPOSE OF PARLIAMENT" -- BUT DID NOT IMMEDIATELY GO FOR THE JUGULAR. INSTEAD OF PUTTING DOWN A CENSURE (NO CONFIDENCE) MOTION, SHE DEMANDED THAT CALLAGHAN BRING FORWARD A CONFIDENCE MOTION EARLY NEXT WEEK. HE RESPONDED QUICKLY AND PREDICTABLY, ADVISING THE OPPOSITION LEADER THAT IF SHE WANTED TO PROVOKE A CONFIDENCE CRISIS. SHE WOULD HAVE TO PUT DOWN HER OWN MOTION. SHE COMPLIED THE FOLLOWING MORNING, AND THE LEADER OF THE HOUSE MICHAEL FOOT SCHEDULED THE DEBATE FOR MARCH 23. THE SCOTTISH AND WELSH NATIONALISTS HAD EARLIER TABLED A CENSURE MOTION, BUT NOW THAT THE TORIES HAVE ACTED THERE IS NO CHANCE

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THEIR MOTION WILL BE CALLED.

3. OUR LABOR PARTY SOURCES, ON BOTH THE LEFT AND RIGHT OF THE PARTY, AGREE THAT THE CRISIS IS LARGELY THE RESULT OF A TACTICAL BLUNDER, SPECIFICALLY THE DECISION TO AVOID A VOTE ON THE ADJOURNMENT MOTION. THE DECISION TO GO FOR A VOTE ON AN ADJOURNMENT RATHER THAN A "TAKE NOTE" MOTION, THEY SUGGEST, WAS LEGITIMATE, THOUGH CLOSE TO THE LIMITS OF WHAT IS ACCEPTABLE TO COMMONS. THE SUBSEQUENT DECISION TO TRY TO AVOID EVEN THAT PROCEDURAL TEST EXCEEDED THOSE LIMITS, SPOTLIGHTING THE GOVERNMENT'S VULNERABILITY. IT WOULD HAVE BEEN FAR BETTER, THEY SAY, TO HAVE TAKEN THE LOSS AND REFUSED TO BE DRAWN INTO THE CONFIDENCE ARGUMENT (A JUDGEMENT, INCIDENTALLY, IN WHICH FORMER CHIEF WHIP BOB MELLISH CONCURS). THESE CRITICS BELIEVE THE CONSERVATIVES PROBABLY WOULD HAVE BEEN SATISFIED WITH HAVING HUMILIATED THE GOVERNMENT AND, HAD THEY TABLED A CENSURE MOTION, BEEN UNABLE TO GAIN THE

SUPPORT OF ALL THE OPPOSITION PARTIES. BECAUSE OF
RESENTMENT OVER LAST NIGHT'S PROCEEDINGS, THERE IS NOW A
POSSIBILITY THAT ALL THE OPPOSITION PARTIES WILL JOIN
WITH THE TORIES, UNLESS THE GOVERNMENT IS ABLE TO WORK
OUT SOME KIND OF BARGAIN WITH THE LIBERALS OR THE ULSTER
UNIONISTS. NEVERTHELESS, LABOR BACKBENCHERS WITH WHOM
WE HAVE SPOKEN ARE OPTIMISTIC THAT "JIM WILL FIX IT" ONE

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WAY OR ANOTHER.

4. CONSERVATIVE SOURCES, AT THIS TIME, DO NOT BELIEVE
THEIR MOTION WILL SUCCEED, BUT THINK THE RESULT WILL BE
VERY CLOSE INDEED. THEY TOO PERCEIVE THE LIBERALS AND

THE ULSTER UNIONISTS AS THE WEAK SPOTS. THE LIBERALS, THEY SUGGEST, ARE DIVIDED, AND LOOKING FOR A DEAL. THE UNIONISTS ARE FRAGMENTED INTO THREE GROUPS, ONE INFLUENCED BY ENOCH POWELL, WHO WILL DO NOTHING TO HELP MRS. LIMITED OFFICIAL USE

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THATCHER, ANOTHER INFLUENCED BY IAN PAISLEY WHICH WILL PROBABLY SUPPORT THE TORIES, AND A THIRD INFLUENCED BY WILLIAM CRAIG, WHO WISHES TO AVOID A GENERAL ELECTION.

5. COMMENT. THUS FAR, OUR GUESS IS THAT THE CENSURE MOTION WILL FALL SHORT BY A NARROW MARGIN. LADBROKES, ONE OF BRITAIN'S LEADING BOOKMAKERS, IS QUOTING 4 TO 5 ON A CONSERVATIVE VICTORY, BUT THOSE ARE OPENING ODDS. THERE IS LITTLE DOUBT, HOWEVER, THAT THE CRISIS, WHILE SYMPTOMATIC OF THE GOVERNMENT'S CURRENT WEAKNESS, WAS MADE WORSE BY ITS MISHANDLING OF LAST NIGHT'S VOTE. THE LIBERALS' BARGAINING PRICE, WE WOULD GUESS, IS LIKELY TO BE A BIT STEEP AT THE MOMENT, SINCE THE GOVERNMENT IS SO OBVIOUSLY IN NEED OF HELP. WE WOULD EXPECT, THEREFORE, THAT IT WILL FIRST TRY ITS HAND WITH THE POWELL AND CRAIG FACTIONS IN THE UNIONIST COALITION, AND THEIR SUPPORT SHOULD BE SUFFICIENT TO HOLD OFF THE TORIES (THE UNCERTAINTY HERE IS DUE TO THE UNKNOWN NUMBER OF MPS ON BOTH SIDES OF THE HOUSE WHO ARE HOSPITALIZED OR OTHERWISE UNAVAILABLE -- LABOR, WHICH HAD ANOTHER RELATIVELY YOUNG BACKBENCHER STRICKEN YESTERDAY, IS BELIEVED TO BE IN WORSE SHAPE THAN THE TORIES IN THIS REGARD).

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